

DOLLAR\$ & \$ENSE

JUNE 2021

CONFERENCE TREASURER

2022 Proposed Annual Conference Budget

The Council on Finance & Administration will present the 2022 Proposed Budget at Annual Conference on Friday, June 18th as updated in the Addendum. See page 2 for details. The budget is proposed to be \$30,970,000, which is a \$3,120,000 increase from 2020. This increase is focused in two primary areas:

1. **District Ministry and Administration Fund (403)**, prior District Superintendent Fund, increase of \$1,330,000 with an anticipated elimination of District Administration Apportionments on July 1, 2022. Overall impact is revenue neutral. All Boards of Mission and other district apportionments would remain as directed by district leadership. This change was initiated in spring of 2020, when CFA asked Bishop Lewis to form a district a team to organize our districts for the adaptive challenges of the 21st Century. The District Alignment Team was created and worked prayerfully from May – November 2020 and are bringing forward six recommendations at this Annual Conference. In December, the Implementation District Alignment Team was created in to seek feedback and determine pathways to implement the below recommendations:
 - a. Create seventeen District Developer (DDs) positions conference wide. Each DS would have two DDs as of 7/1/2022 with Eastern Shore having an additional dedicated DD. DDs would focus on knowing, supporting, and resourcing clergy.
 - b. District Developers would also engage with church leadership and clergy to collaborate on ways to make connections in our communities.
 - c. Automate and streamline administrative processes that are redundant and inefficient to allow a greater focus on ministry.
 - d. Reset the district landscape as a matter of revitalization. Eight DSs will serve our current 16 districts this appointment year with an anticipation of a reduction in the number of districts to be proposed at the 2022 Annual Conference.
 - e. Create equitable district budgets to ensure clergy receive support and opportunities regardless of appointment, provide opportunity for every church lay leadership to be fully equipped, and members of all communities are valued across the Conference.
 - f. Determine how to measure our effectiveness to foster fearless innovation in our churches to share the love of Christ.

For additional information from the past year regarding the District Alignment Team recommendations, go to www.vaumc.org/dat or feel free to give my office a call.

2. The 2022 **General Church Apportionments** reflects an increase of \$1,425,000 over 2021. The increase is a result of the Judicial Council ruling that the budget approved at the last General Conference for the 2017-2020 Quadrennium was still in effect, since the General Conference has been postponed as a result of the Pandemic. GCFA adjusted their spending to live into the 2021 reduced budget and plans to continue that plan into 2022. The 2022 Proposed Budget in the Addendum reflects that the \$1,425,000 will be priority 2 to allow flexibility for our churches.

2021 Annual Conference Offering

This year the Annual Conference special offering goal is \$200,000. Church treasurers should remit their church AC Offering electronically at www.vaumcpayapp.org or mail in the donation with your apportionment payment designated for **Fund #5500 – AC Offering**. Individuals can go to www.vaumcdonations.org to make an online donation as well. Learn more about the how you can help and go to www.vaumc.org/acoffering.

Newly Appointed Lay Pastors

For churches receiving a Lay Pastor, be sure to withhold Social Security and Medicare as well as Federal and State taxes.

USCIS Form I-9

The U.S. Citizenship and Immigration Services requires the Form I-9 to be completed for all individuals hired for employment in the United States. Newly appointed pastors must complete this form at each new appointment prior to their first day. Access the most recent form by going to <https://www.uscis.gov/i-9>.

Accountable Reimbursement

If you have clergy moving to a new church, their accountable reimbursement should not exceed half of the annual amount agreed upon on the Charge Conference Form. Any unspent amount cannot be advanced to the pastor without reporting it as income on their W2 and approval of your church leadership.

Special Offerings

The time between Mother's Day and Father's Day is designated as the time to support this ministry at Pinnacle Living. These funds should be designated for **Fund #6411-Pinnacle Living (Samaritan Fund)**. Peace with Justice Sunday was May 31st. These funds should be designated for **Fund #4433 – Peace with Justice Sunday**.

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ADDENDUM AS OF JUNE 11, 2021
Council on Finance and Administration

SECTION I - Proposed Conference Budget for 2022

	2022 Proposed Apportionments				2021 Budget			2020 Budget		
	Sch.	Priority 1	Priority 2 *	2022 Total	2021	Increase (Decrease) to 2022 Priority 1	% Change to 2022 Priority 1	2020	Increase (Decrease) to 2022 Priority 1	% Change to 2022 Priority 1
Conference Apportionments										
401 - Conference Mission & Ministries	A	2,670,000	-	2,670,000	2,510,000	160,000	6.4%	3,140,000	(470,000)	-15.0%
402 - Conference Services	B	1,889,000	-	1,889,000	1,830,000	59,000	3.2%	1,990,000	(101,000)	-5.1%
403 - District Ministry and Administration Fund	C	3,150,000	-	3,150,000	1,820,000	1,330,000	73.1%	2,000,000	1,150,000	57.5%
404 - Equitable Compensation		200,000	-	200,000	200,000	-	0.0%	250,000	(50,000)	-20.0%
405 - Church Extension & Development		900,000	-	900,000	900,000	-	0.0%	1,200,000	(300,000)	-25.0%
406 - Virginia Education Fund		336,000	-	336,000	420,000	(84,000)	-20.0%	600,000	(264,000)	-44.0%
Total Conference Apportionments		9,145,000	-	9,145,000	7,680,000	1,465,000	19.10%	9,180,000	(35,000)	-0.40%
Clergy Benefits Apportionments										
407 - Active Clergy Health		10,000,000	-	10,000,000	9,710,000	290,000	3.0%	9,710,000	290,000	3.0%
408 - Retired Clergy Health		6,000,000	-	6,000,000	6,060,000	(60,000)	-1.0%	6,060,000	(60,000)	-1.0%
409 - Pension Liability Assessment - Pre 82		-	-	-	-	-	0.0%	750,000	(750,000)	-100.0%
Total Clergy Benefit Apportionments		16,000,000	-	16,000,000	15,770,000	230,000	1.50%	16,520,000	(520,000)	-3.10%
General & Jurisdictional Apportionments										
410 - Episcopal Fund		865,000	15,000	880,000	865,000	-	0.0%	870,000	(5,000)	-0.6%
411 - World Service		2,150,000	820,000	2,970,000	2,150,000	-	0.0%	2,925,000	(775,000)	-26.5%
412 - General & Interdenominational Fund		325,000	155,000	480,000	325,000	-	0.0%	480,000	(155,000)	-32.3%
413 - Ministerial Education		675,000	330,000	1,005,000	675,000	-	0.0%	990,000	(315,000)	-31.8%
414 - Black College Fund		315,000	85,000	400,000	315,000	-	0.0%	395,000	(80,000)	-20.3%
415 - Africa University Fund		70,000	20,000	90,000	70,000	-	0.0%	90,000	(20,000)	-22.2%
Total General & Jurisdictional Apportionments		4,400,000	1,425,000	5,825,000	4,400,000	-	0.0%	5,750,000	(1,350,000)	-23.5%
Total Apportionments		29,545,000	1,425,000	30,970,000	27,850,000	1,695,000	6.1%	31,450,000	(1,905,000)	-6.1%
Projected Budget Following Alignment										
Total Annual Conference Apportionments		29,545,000	1,425,000	30,970,000	27,850,000	1,695,000	6.1%	31,450,000	(1,905,000)	-6.1%
Total District Administration Apportionments**		1,313,000		1,313,000	2,626,000	(1,313,000)	-50.0%	2,970,000	(1,657,000)	-55.8%
Total Apportionment Burden ***		30,858,000	1,425,000	32,283,000	30,476,000	382,000	1.3%	34,420,000	(3,562,000)	-10.3%

FOOTNOTES:

* Priority 2 represents the effect on the Virginia Conference of the postponed General Conference and the inability to vote on the proposed lower General Church budget

** Assumes districts will apportion half of 2021 at the same level as they apportioned in 2021.

*** Districts may and likely will continue to apportion additional funds for Boards of Missions and for other purposes and ministries.

NOTE: In 2022, the increase in Fund 403 is in anticipation of a decrease in District Apportionments.